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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

July 27, 1989

Mr. Joe D. Bierschied
B & W Construction
P.O. Box 398
Moab, Utah 84532

Dear Mr. Bierschied:

Re: Transfer of Probe, Snow, and Four Corner, M/015/011, M/015/013, M/015/014,
Emery County, Utah

I received the three transfer notices for the mines listed above on July 10, 1989. I anticipate no problem with Division approval for the Probe, since it is under 5 acres. The Snow and Four Corners may take a little longer to obtain approval, since these will require a Board action.

The Division has re-evaluated the bonds for the Snow and the Four Corners. These estimates are enclosed with this letter. A Reclamation Surety must be posted for each site before the transfers become final. The Board of Oil, Gas and Mining will make the final decision. Also, please find enclosed two Reclamation Contract forms, to be used in regard to the new reclamation surety. Until the transfers are finalized, the Division will continue to hold Atlas Minerals responsible for these sites.

In order that the Board might take action on these sites by August 25, 1989, I will need to have the completed Reclamation Contracts returned to me by August 8, 1989. If the information is received later, no decision will be made until the Board meets again September 28, 1989.

If you have further questions, please don't hesitate to call.

Sincerely,

Holland Shepherd
Reclamation Specialist/Permit Lead

jb

Enclosures

cc: Richard Blubaugh, Atlas Minerals, Grand Junction
Lowell Braxton

MN5/125

Reclamation Estimate for the Atlas Four Corners Mine M/015/014

Prepared By
Utah State Division of Oil, Gas and Mining
May 23, 1989 Revised July 14, 1989

Description	Quantity	Unit	\$/Unit	Total Cost (\$)
Facilities Reclamation				
Demolish and Dispose of Buildings	3,500	Square Feet	2.9	(a)
Plug and Cover Vent Hole (24 inch)		Lump Sum		2,000
Install Bulkhead 100 feet Inside Portal		Lump Sum		1,200
Backfill Decline to Bulkhead	600	Cubic Yards	0.60	360
Remove Trash	2	Acres	100	200
Grade for Uniformity	2	Acres	400	800
Revegetate	2	Acres	175	350
Subtotal				4,910
Completed Partial Reclamation (b)				
Revegetate	4.8	Acres	175	840
Totals				5,750
Add Contingency (10%)				580
TOTAL RECLAMATION COST (1989 Dollars)				6,330
TOTAL RECLAMATION COST (1991 Dollars) @ 1.93% Annual Inflation				7,000

- Note: (a) The operator has provided a third party estimate indicating the salvage value exceeds the reclamation cost.
(b) Most of the area (4.8 acres) was reclaimed during 1988. The surety is estimated through 1991 (3 growing seasons).

Revegetation Cost per Acre	Quantity	Unit	\$/Unit	Total Cost (\$)
Bare Costs				
Seed Mix	19	Pounds	7.37	140
Application Costs				
Seed Mix (broadcast by hand)	0.5	Hours	24	12
Scarify (tractor with chain)	0.3	Hours	67	23
Subtotal				35
Total Revegetation Cost per Acre				175

Reclamation Estimate for the Atlas Minerals Snow Mine M/015/013

Prepared By
Utah State Division of Oil, Gas and Mining
May 23, 1989 Revised July 14, 1989

Description	Quantity	Unit	\$/Unit	Total Cost (\$)
Facilities Reclamation				
Demolish and Dispose of Buildings	4,100	Square Feet	2.9	(a)
Demolish and Dispose of Water Tanks		Lump Sum		2,000
Demolish and Dispose of Head Frame		Lump Sum		1,500
Remove Trash	4	Acres	100	400
Grade for Uniformity	4	Acres	400	1,600
Revegetate	4	Acres	175	700
Subtotal				6,200
Completed Partial Reclamation (b)				
Revegetate	8.2	Acres	175	1,430
Totals				7,630
Add Contingency (10%)				760
TOTAL RECLAMATION COST (1989 Dollars)				8,390
TOTAL RECLAMATION COST (1991 Dollars) @ 1.93% Annual Inflation				9,000

Note: (a) The operator has provided a third party estimate indicating the salvage value exceeds the reclamation cost.
(b) Most of the area (8.2 acres) was reclaimed during 1988. The surety is estimated through 1991 (3 growing seasons).

Revegetation Cost per Acre	Quantity	Unit	\$/Unit	Total Cost (\$)
Bare Costs				
Seed Mix	19	Pounds	7.37	140
Application Costs				
Seed Mix (broadcast by hand)	0.5	Hours	24	12
Scarify (tractor with chain)	0.3	Hours	67	23
Subtotal				35
Total Revegetation Cost per Acre				175